

EXHIBIT 2

Monthly operating reports

MOR-1
CASE NAME: Rotary Drilling Tools USA, LLC
CASE NUMBER: 16-33433
PROPOSED PLAN DATE: FILED

UNITED STATES BANKRUPTCY COURT

PETITION DATE: 7/6/2016 0:00
DISTRICT OF TEXAS: Southern
DIVISION: Houston

MONTHLY OPERATING REPORT SUMMARY FOR MONTH

August

2016

MONTH	July	August	September			
REVENUES (MOR-6)	230,017.12	16,637.16	0.00	0.00	0.00	0.00
INCOME BEFORE INT. DEDUCT. TAX (MOR-6)	-719,806.81	-1,096,242.45	0.00	0.00	0.00	0.00
NET INCOME (LOSS) (MOR-6)	-1,266,787.69	-1,502,976.89	0.00	0.00	0.00	0.00
PAYMENTS TO INSIDERS (MOR-9)	8,643.66	8,643.66	0.00	0.00	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS (MOR-8)	374,067.87	557,876.39	0.00	0.00	0.00	0.00

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE	EXP. DATE
CASUALTY	YES (X) NO ()
LIABILITY	YES (X) NO ()
VEHICLE	YES (X) NO ()
WORKERS	YES (X) NO ()
OTHER	YES (X) NO ()

Are all accounts receivable being collected within terms? **CIRCLE ONE** Yes (X) No ()
Are all post-petition liabilities, including taxes, being paid within terms? Yes (X) No ()
Have any pre-petition liabilities been paid? Yes (X) No ()
If so, describe PTO and Payroll as approved by the court
Are all funds received being deposited into DIP bank accounts? Yes (X) No ()
Were any assets disposed of outside the normal course of business? Yes (X) No ()
If so, describe
Are all U.S. Trustee Quarterly Fee Payments current? Yes (X) No ()
What is the status of your Plan of Reorganization? Pending

ATTORNEY NAME: Elizabeth M. Guffy
FIRM NAME: Looke Lord LLP
ADDRESS: 600 Travis, Ste 2800
CITY, STATE, ZIP: Houston, Texas 77002
TELEPHONE/FAX: 713-226-1328

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND ANY ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. HOWEVER THESE ARE INTERNALLY PREPARED FINANCIAL STATEMENTS. THEY HAVE NOT BEEN AUDITED BY AN EXTERNAL ACCOUNTING FIRM. ADDITIONALLY THE FINANCIAL INFORMATION PRESENTED IN THIS MONTHLY REPORT HAS NOT BEEN PREPARED IN ACCORDANCE TO GAAP. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

SIGNED X Bryan M. Gaston TITLE: CRO
(OBJECT SIGNATURE)
Bryan M. Gaston
(PRINT NAME OF SIGNATORY) DATE: 9/27/16

CASE NAME: Rotary Drilling Tools USA, LLC
CASE NUMBER: 16-33433

COMPARATIVE BALANCE SHEETS

ASSETS	FLING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	7/6/2016 0:00	July	August	September			
CURRENT ASSETS							
Cash	\$155,358.00	\$410,541.78	\$390,875.39				
Accounts Receivable, Net	642,392	544,021	547,388				
Inventory: Lower of Cost or Market	8,555,788	8,588,656	8,497,881				
Prepaid Expenses	911,149	758,915	635,512				
Investments	0	0	0				
Other AR Accrued & other	175,591	0	0				
TOTAL CURRENT ASSETS	10,440,278	10,302,134	10,071,657	0.00	0.00	0.00	0.00
PROPERTY, PLANT & EQUIP. @ COST	59,976,734	59,978,404	59,980,075				
Less Accumulated Depreciation	22,138,783	22,481,837	22,840,404				
NET BOOK VALUE OF PP & E	37,837,951	37,496,567	37,139,671	0.00	0.00	0.00	0.00
OTHER ASSETS							
1. Tax Deposits							
2. Investments in Subsidiaries	12,928,430	12,928,430	12,928,430				
3. Other Intangible Deposits	990,711	944,691	929,483				
4. Related Party Rec	9,677,524	9,729,521	9,796,534				
TOTAL ASSETS	\$71,955,038	\$71,477,671	\$70,938,286	\$0.00	\$0.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs

MOR-2

Revised 07/01/98

CASE NAME: Rotary Drilling Tools USA, LLC
CASE NUMBER: 16-33433

COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	7/6/2016 0:00	July	August	September				
LIABILITIES								
POST-PETITION LIABILITIES(MOR-4)	0	834,254	1,797,846					
PRE-PETITION LIABILITIES								
Notes Payable - Secured	36,558,305	36,558,305	36,558,305					
Priority Debt	593,979	593,979	593,979					
Federal Income Tax	243,845	243,845	243,845					
FICA/Withholding	0	0	0					
* Unsecured Debt	5,638,632	5,593,799	5,593,799					
Other	3,206,177	3,206,177	3,206,177					
TOTAL PRE-PETITION LIABILITIES	46,240,938	46,196,105	46,196,105					
TOTAL LIABILITIES	46,240,938	47,030,359	47,993,951					
OWNER'S EQUITY (DEFICIT)								
PREFERRED STOCK	0	0	0					
COMMON STOCK	61,955,069	61,955,069	61,955,069					
ADDITIONAL PAID-IN CAPITAL	-594,935	-594,935	-594,935					
RETAINED EARNINGS: Filing Date	-35,646,035	-35,646,035	-35,646,035					
RETAINED EARNINGS: Post Filing Date	0	-1,266,788	-2,769,765					
TOTAL OWNERS EQUITY (NET WORTH)	25,714,099	24,447,311	22,944,335					
LIABILITIES & OWNERS EQUITY	71,955,037	71,477,671	70,938,286					

* Per Schedules and Statement of Affairs

MOR-3

Revised 07/01/98

* Paid PTO and payroll court approved prepetition expense.

CASE NAME: Rotary Drilling Tools USA, LLC
CASE NUMBER: 16-33433

SCHEDULE OF POST-PETITION LIABILITIES

	MONTH July	MONTH August	MONTH September	MONTH	MONTH	MONTH	MONTH
TRADE ACCOUNTS PAYABLE							
TAX PAYABLE							
Federal Payroll Taxes	0.00	0.00					
State Payroll Taxes	0.00	0.00					
Ad Valorem Taxes	0.00	0.00					
Other Taxes	0.00	30,632.18					
TOTAL TAXES PAYABLE	0.00	30,632.18			0.00		0.00
SECURED DEBT POST-PETITION	499,679.00	945,164.00					
ACCRUED INTEREST PAYABLE	0.00	0.00					
ACCRUED PROFESSIONAL FEES*	211,139.02	447,139.02					
OTHER ACCRUED LIABILITIES							
1. Property Tax Accrual	50,000.00	50,000.00					
2. Utility Bill TXU	65,000.00	118,631.74					
3. Benefits PTO	151.19	178,333.05					
4. Tax Accrual	154.03	0.00					
5. CD Group	7,000.00	7,000.00					
6. Unsecured Misc Credit Amounts	1,130.78	3,511.55					
7. Leases	\$0.00	17,434.39					
8. Portion of LTD	0.00	0.00					
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$834,254.02	\$1,797,845.93	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

*Payment requires Court Approval

MOR-4

Revised 07/01/98

CASE NAME: Rotary Drilling Tools USA, LLC
CASE NUMBER: 16-33433

AGING OF POST-PETITION LIABILITIES
MONTH August

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	MONTH
0-30	852,681.93	852,681.93				
31-60	334,575.02	334,575.02				
61-90	0.00	0.00				
91+	0.00	0.00				
TOTAL	\$1,187,256.95	\$1,187,256.95	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF ACCOUNTS RECEIVABLE

MONTH	July	Aug			
0-30 DAYS	0.00				
31-60 DAYS	56,445.00	25,251.66			
61-90 DAYS	14,477.00	52,844.72			
91+ DAYS	1,626,799.00	1,628,965.90			
TOTAL	\$1,697,721.00	\$1,707,062.28	\$0.00	\$0.00	\$0.00

MOR-5

Accounts Receivable is Gross before any adjustments for doubtful accounts

Revised 07/01/98

CASE NAME: Rotary Drilling Tools USA, LLC
CASE NUMBER: 16-33433

STATEMENT OF INCOME (LOSS)

	MONTH July	MONTH August	MONTH September	MONTH	MONTH	MONTH	MONTH	FILING TO DATE
REVENUES (MOR-1)	230,017.12	16,637.16						246,654.28
TOTAL COST OF REVENUES	662,700.91	821,388.04						1,484,088.95
GROSS PROFIT	-432,683.79	-804,750.88	0.00		0.00	0.00	0.00	-1,237,434.67
OPERATING EXPENSES:								
Selling & Marketing	0.00	0.00						0.00
General & Administrative	67,340.34	46,847.91						114,188.25
Insiders Compensation	8,643.66	8,643.66						17,287.32
Professional Fees	211,139.02	236,000.00						447,139.02
Other	0.00	0.00						0.00
Other	0.00	0.00						0.00
TOTAL OPERATING EXPENSES	287,123.02	291,491.57	0.00		0.00	0.00	0.00	578,614.59
INCOME BEFORE INT. DEPR/TAX (MOR-1)	-719,806.81	-1,096,242.45	0.00		0.00	0.00	0.00	-1,816,049.26
INTEREST EXPENSE	117,295.72	0.00						117,295.72
DEPRECIATION	420,908.16	389,180.94						810,089.10
OTHER (INCOME) EXPENSE*	8,777.00	17,553.50						26,330.50
OTHER ITEMS**	0.00	0.00						0.00
TOTAL INT. DEPR & OTHER ITEMS	546,980.88	406,734.44	0.00		0.00	0.00	0.00	953,715.32
NET INCOME BEFORE TAXES	-1,266,787.69	-1,502,976.89	0.00		0.00	0.00	0.00	-2,769,764.58
FEDERAL INCOME TAXES	0.00	0.00						0.00
NET INCOME (LOSS) (MOR-1)	(\$1,266,787.69)	(\$1,502,976.89)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$2,769,764.58)

Accounting Required. (Otherwise Footnote with Explanation.

* Footnote Mandatory. No further detail provided

** (Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

Revised 07/01/98

CASE NAME: Rotary Drilling Tools USA, LLC
CASE NUMBER: 16-33433

CASH RECEIPTS AND DISBURSEMENTS		MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO
1. CASH-BEGINNING OF MONTH		July	August	September					DATE
RECEIPTS:									
2. CASH SALES		216,304.00	10,222.00						226,526.00
3. COLLECTION OF ACCOUNTS RECEIVABLE		840.00	82,503.00						83,343.00
4. LOANS & ADVANCES (attach list)		499,679.00	445,485.00						945,164.00
5. SALE OF ASSETS		0.00	0.00						0.00
6. OTHER (attach list)		0.00	0.00						0.00
TOTAL RECEIPTS**		716,823.00	538,210.00	0.00	0.00	0.00	0.00	0.00	1,255,033.00
(Withdrawal) Contribution by Individual Debtor MFR-2*		0.00	0.00						0.00
DISBURSEMENTS:									
7. NET PAYROLL		211,548.00	246,238.00						457,786.00
8. PAYROLL TAXES PAID		40,193.53	15,846.03						56,039.56
9. SALES, USE & OTHER TAXES PAID		0.00	156.00						156.00
10. SECURED/RENTAL/LEASES		3,233.57	39,467.96						42,701.53
11. UTILITIES & TELEPHONE		1,500.00	87,600.49						89,100.49
12. INSURANCE & Benefits		111,947.50	146,623.06						258,570.56
13. INVENTORY PURCHASES		0.00	0.00						0.00
14. VEHICLE EXPENSES		0.00	0.00						0.00
15. TRAVEL & ENTERTAINMENT		0.00	0.00						0.00
16. REPAIRS, MAINTENANCE & SUPPLIES		3,014.19	0.00						3,014.19
17. ADMINISTRATIVE & SELLING		0.00	0.00						0.00
18. OTHER (attach list)		2,631.18	21,944.85						24,576.03
TOTAL DISBURSEMENTS FROM OPERATIONS		374,067.97	557,876.39	0.00	0.00	0.00	0.00	0.00	931,944.36
19. PROFESSIONAL FEES		0.00	0.00						0.00
20. U.S. TRUSTEE FEES		0.00	0.00						0.00
21. OTHER REORGANIZATION EXPENSES (attach list)		0.00	0.00						0.00
TOTAL DISBURSEMENTS**		374,067.97	557,876.39	0.00	0.00	0.00	0.00	0.00	931,944.36
22. NET CASH FLOW		342,755.03	-19,666.39	0.00	0.00	0.00	0.00	0.00	323,088.64
23. CASH - END OF MONTH (MOR-2)		\$410,541.78	\$390,875.39	\$390,875.39	\$390,875.39	\$390,875.39	\$390,875.39	\$390,875.39	\$390,875.39

MOR-7

* Applies to Individual debtors only
**Numbers for the current month should balance (match)
RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

Revised 07/01/98

Note: The numbers presented for July are for the entire month, they have been adjusted for professional fees paid from July 1- July 6

CASE NAME: Rotary Drilling Tools USA, LLC
CASE NUMBER: 16-33433

CASH ACCOUNT RECONCILIATION MONTH OF August

BANK NAME	PNC	#	#		
ACCOUNT NUMBER	8026323517	#			
ACCOUNT TYPE	OPERATING				
BANK BALANCE		PAYROLL	TAX	OTHER FUNDS	TOTAL
DEPOSITS IN TRANSIT					\$0.00
OUTSTANDING CHECKS					\$0.00
ADJUSTED BANK BALANCE	\$0.00				\$0.00
BEGINNING CASH - PER BOOKS	410,541.78		\$0.00		\$0.00
RECEIPTS*	538,210.00				\$410,541.78
TRANSFERS BETWEEN ACCOUNTS	0.00				\$538,210.00
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL					\$0.00
CHECKS/OTHER DISBURSEMENTS*	557,876.39				\$0.00
ENDING CASH - PER BOOKS	\$390,875.39		\$0.00		\$557,876.39
			\$0.00		\$390,875.39

MOR-8

*Numbers should balance (match) TOTAL RECEIPTS and
TOTAL DISBURSEMENTS lines on MOR-7

Revised 07/01/98

CASE NAME: Rotary Drilling Tools USA, LLC
CASE NUMBER: 16-33433

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(3)(A)-(F) of the U.S. Bankruptcy Code) and the professionals.
Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH July	MONTH August	MONTH September	MONTH	MONTH	MONTH
1. Darren Mourre VP Marketing Salary	8,643.66	8,643.66				
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	\$8,643.66	\$8,643.66	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	MONTH July	MONTH	MONTH	MONTH	MONTH	MONTH
1. Oportune	0.00	0.00				
2. Lockelord	0.00	0.00				
3.	0.00	0.00				
4.	0.00	0.00				
5.	0.00	0.00				
	0.00					
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

MOR-9

Revised 07/01/98

MOR-1
CASE NAME: Tubular Repair, LLC
CASE NUMBER: 16-33434
PROPOSED PLAN DATE: FILED

UNITED STATES BANKRUPTCY COURT

PETITION DATE: 7/6/2015 0:00
DISTRICT OF TEXAS: Southern
DIVISION: Houston

MONTHLY OPERATING REPORT SUMMARY FOR MONTH

MONTH	July	August	August	2016
REVENUES (MOR-6)	13,615.00	8,113.25	0.00	0.00
INCOME BEFORE INT. DEDUCTION TAX (MOR-6)	-154,806.00	-239,031.88	0.00	0.00
NET INCOME (LOSS) (MOR-6)	-203,326.00	-287,465.96	0.00	0.00
PAYMENTS TO INSIDERS (MOR-9)	0.00	0.00	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS (MOR-8)	69,320.27	88,074.68	0.00	0.00

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE	EXP. DATE	Are all accounts receivable being collected within terms?	Are all post-petition liabilities, including taxes, being paid within terms?	Have any pre-petition liabilities been paid?	If so, describe	PTO and Payroll as approved by the court	Are all funds received being deposited into DIP bank accounts?	Were any assets disposed of outside the normal course of business?	If so, describe	Are all U.S. Trustee Quarterly Fee Payments current?	What is the status of your Plan of Reorganization?
CASUALTY	YES (X) NO ()	11-30 -16	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()
LIABILITY	YES (X) NO ()	11-30 -16	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()
VEHICLE	YES (X) NO ()	11-30 -16	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()
WORKERS	YES (X) NO ()	11-30 -16	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()
OTHER	YES (X) NO ()	11-30 -16	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()	Yes (X) No ()

ATTORNEY NAME: Elizabeth M. Guffy
FIRM NAME: Locke Lord LLP
ADDRESS: 600 Travis, Ste 2800
CITY, STATE, ZIP: Houston, Texas 77002
TELEPHONE/FAX: 713-226-1328

MOR-1

SIGNED X Bryan M. Gaston TITLE: CFO
1 (ORIGINAL SIGNATURE)

(PRINT NAME OF SIGNATORY)

DATE

9/27/16

Revised 07/01/98

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND ANY ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. HOWEVER, THESE ARE INTERNALLY PREPARED FINANCIAL STATEMENTS, THEY HAVE NOT BEEN AUDITED BY AN EXTERNAL ACCOUNTING FIRM. ADDITIONALLY, THE FINANCIAL INFORMATION PRESENTED IN THIS MONTHLY REPORT HAS NOT BEEN PREPARED IN ACCORDANCE TO GAAP. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

CASE NAME: Tubular Repair, LLC
CASE NUMBER: 16-33434

COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	7/6/2016 0:00	July	August				
CURRENT ASSETS							
Cash	-12,038.00	-9,750.00	-52,203.40				
Accounts Receivable, Net	223,672.00	199,097.00	50,969.00				
Inventory: Lower of Cost or Market	1,047,511.00	1,047,511.00	1,047,511.30				
Prepaid Expenses	-65,184.00	-93,913.00	-93,382.47				
Investments							
Other AR Accrued Other	6,927.00	6,927.00	6,927.00				
TOTAL CURRENT ASSETS	1,200,888.00	1,149,872.00	959,821.43	0.00	0.00	0.00	0.00
PROPERTY, PLANT & EQUIP. @ COST	10,158,103.00	10,158,103.00	10,158,102.93				
Less Accumulated Depreciation	3,524,839.00	3,572,979.00	3,620,950.93				
NET BOOK VALUE OF PP & E	6,633,264.00	6,585,124.00	6,537,152.00	0.00	0.00	0.00	0.00
OTHER ASSETS							
1. Tax Deposits							
2. Investments in Subsidiaries							
3. Electric Deposit							
4. related party receivables	84,986.00	84,986.00	84,986.00				
TOTAL ASSETS	\$7,919,138.00	\$7,819,982.00	\$7,581,959.43	\$0.00	\$0.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs

MOR-2

Revised 07/01/98

CASE NAME: Tubular Repair, LLC
CASE NUMBER: 16-33434

COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	7/6/2016 0:00	July	August				
LIABILITIES							
POST-PETITION LIABILITIES(MOR-4)		104,169.00	153,612.39				
PRE-PETITION LIABILITIES							
Notes Payable - Secured	63,750.00						
Priority Debt	58,887.00						
Sales and USE	4,533.00						
FICA/Withholding	1,149.00						
Unsecured Debt							
Other	1,969,595.00						
TOTAL PRE-PETITION LIABILITIES	2,405,373.00	2,405,373.00	2,405,373.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	2,405,373.00	2,509,542.00	2,558,985.39	0.00	0.00	0.00	0.00
OWNER'S EQUITY (DEFICIT)							
PREFERRED STOCK							
COMMON STOCK	members equity	6,099,435.00	6,099,435.00	6,099,435.00			
ADDITIONAL PAID-IN CAPITAL		6,347,192.00	6,347,192.00	6,347,192.00			
RETAINED EARNINGS: Filing Date		-6,932,861.00	-6,932,861.00	-6,932,861.00			
RETAINED EARNINGS: Post Filing Date		-203,326.00	-490,791.96				
TOTAL OWNER'S EQUITY (NET WORTH)		5,310,440.00	5,022,974.04	0.00	0.00	0.00	0.00
LIABILITIES & OWNER'S EQUITY							
	\$7,919,139.00	\$7,819,982.00	\$7,581,959.43	\$0.00	\$0.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs

MOR-3

Revised 07/01/98

CASE NAME: Tubular Repair, LLC
CASE NUMBER: 16-33434

SCHEDULE OF POST-PETITION LIABILITIES

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	July	August				
TRADE ACCOUNTS PAYABLE						
TAX PAYABLE						
Federal Payroll Taxes						
State Payroll Taxes						
Ad Valorem Taxes						
Other Taxes	5,816.00	4,528.72				
TOTAL TAXES PAYABLE	5,816.00	4,528.72	0.00	0.00	0.00	0.00
SECURED DEBT POST-PETITION						
ACCRUED INTEREST PAYABLE						
ACCRUED PROFESSIONAL FEES*	65,465.00	132,714.31				
OTHER ACCRUED LIABILITIES						
1. Accrual Rent Expense	18,700.00	15,000.00				
2. AP Accrual for Utilities	1,222.67	-1,222.67				
3. Accrued Taxes & Medical	10,376.38	-1,936.35				
4. Vacation	2,588.95	4,528.38				
5. Current portion of LTD		23,230.32				
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$104,169.00	\$153,612.39	\$0.00	\$0.00	\$0.00	\$0.00

*Payment requires Court Approval

MOR-4

Revised 07/01/98

CASE NAME: Tubular Repair, LLC
CASE NUMBER: 16-33434

AGING OF POST-PETITION LIABILITIES
MONTH August

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	MONTH
0-30	0.00					
31-60	0.00					
61-90	0.00					
91+	0.00					
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF ACCOUNTS RECEIVABLE

MONTH	July	August				
0-30 DAYS	6,802.35					
31-60 DAYS	46,259.20	3,610.00				
61-90 DAYS	20,313.00	47,689.00				
91+ DAYS	364,320.48	328,634.86				
TOTAL	\$437,695.03	\$379,933.86	\$0.00	\$0.00	\$0.00	\$0.00

MOR-5

The Accounts receivable are Gross before any adjustments for doubtful accounts

Revised 07/01/98

CASE NAME: Tubular Repair, LLC
CASE NUMBER: 16-33434

STATEMENT OF INCOME (LOSS)

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO DATE
	July	August							
REVENUES (MOR-1)	13,615.00	8,113.25							21,728.25
TOTAL COST OF REVENUES	133,558.00	195,218.59							328,776.59
GROSS PROFIT	-119,943.00	-187,105.34	0.00	0.00	0.00	0.00	0.00	0.00	-307,048.34
OPERATING EXPENSES:									
Selling & Marketing									0.00
General & Administrative	17,814.00	20,112.73							37,926.73
Insiders Compensation									0.00
Professional Fees	1,566.00	2,531.90							4,097.90
Other	15,483.00	29,281.91							44,764.91
Other									0.00
TOTAL OPERATING EXPENSES	34,863.00	51,926.54	0.00	0.00	0.00	0.00	0.00	0.00	86,789.54
INCOME BEFORE INT. DEPR/TAX (MOR-1)	-154,806.00	-239,031.88	0.00	0.00	0.00	0.00	0.00	0.00	-393,837.88
INTEREST EXPENSE	379.00	462.57							841.57
DEPRECIATION	48,141.00	47,971.51							96,112.51
OTHER (INCOME) EXPENSE*									0.00
OTHER ITEMS**									0.00
TOTAL INT. DEPR & OTHER ITEMS	48,520.00	48,434.08	0.00	0.00	0.00	0.00	0.00	0.00	96,954.08
NET INCOME BEFORE TAXES	-203,326.00	-287,465.96	0.00	0.00	0.00	0.00	0.00	0.00	-490,791.96
FEDERAL INCOME TAXES									0.00
NET INCOME (LOSS) (MOR-1)	(\$203,326.00)	(\$287,465.96)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$490,791.96)

Accrual Accounting Required. Otherwise Footnote with Explanation.

* Footnote Mandatory.

** (Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

Revised 07/01/98

CASE NAME: Tubular Repair, LLC
CASE NUMBER: 16-33434

CASH RECEIPTS AND DISBURSEMENTS		MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO
		July	August					DATE
1. CASH-BEGINNING OF MONTH		(\$12,038.00)	(\$9,750.30)	(\$52,203.41)	(\$52,203.41)	(\$52,203.41)	(\$52,203.41)	(\$12,038.00)
RECEIPTS:								
2. CASH SALES		0.00						0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE		37,024.48	0.00					37,024.48
4. LOANS & ADVANCES (attach list)		64,745.57	45,621.57					110,367.14
5. SALE OF ASSETS		0.00						0.00
6. OTHER (attach list)		0.00						0.00
TOTAL RECEIPTS**		101,770.05	45,621.57	0.00	0.00	0.00	0.00	147,391.62
[Withdrawal] Contribution by Individual Debtor MFR-3*								0.00
DISBURSEMENTS:								
7. NET PAYROLL		43,804.21	33,887.11					77,691.32
8. PAYROLL TAXES PAID		12,238.14						12,238.14
9. SALES, USE & OTHER TAXES PAID		0.00	291.00					291.00
10. SECURED/RENTAL/LEASES		6,852.02	28,106.24					34,958.26
11. UTILITIES & TELEPHONE		227.83	3,266.40					3,494.23
12. INSURANCE Benefits		3,910.37	15,698.36					19,608.73
13. INVENTORY PURCHASES		0.00						0.00
14. VEHICLE EXPENSES		0.00	3,007.50					3,007.50
15. TRAVEL & ENTERTAINMENT		0.00						0.00
16. REPAIRS, MAINTENANCE & SUPPLIES		0.00						0.00
17. ADMINISTRATI Bank Fees		2,287.70	3,024.92					5,312.62
18. OTHER (attach list) PNC Loan LEDGER			793.15					793.15
TOTAL DISBURSEMENTS FROM OPERATIONS		69,320.27	88,074.68	0.00	0.00	0.00	0.00	157,394.95
19. PROFESSIONAL FEES								0.00
20. U.S. TRUSTEE FEES								0.00
21. OTHER REORGANIZATION EXPENSES (attach list)								0.00
TOTAL DISBURSEMENTS**		69,320.27	88,074.68	0.00	0.00	0.00	0.00	157,394.95
22. NET CASH FLOW		0.00	-42,453.11	0.00	0.00	0.00	0.00	-10,003.33
23. CASH - END OF MONTH (MOR-2)		(\$9,750.30)	(\$52,203.41)	(\$52,203.41)	(\$52,203.41)	(\$52,203.41)	(\$52,203.41)	(\$22,041.33)

* Applies to Individual debtors only

MOR-7

**Numbers for the current month should balance (match)
RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

Revised 07/01/98

Debtor's AR collections are received into a lockbox and applied directly to the loan ledger by its lender

CASE NAME: Tubular Repair, LLC
CASE NUMBER: 16-33434

CASH ACCOUNT RECONCILIATION
MONTH OF August

BANK NAME						
ACCOUNT NUMBER	8026323509	#	#	#		
ACCOUNT TYPE	OPERATING		PAYROLL	TAX	OTHER FUNDS	TOTAL
BANK BALANCE		0.00				\$0.00
DEPOSITS IN TRANSIT		0.00				\$0.00
OUTSTANDING CHECKS		0.00				\$0.00
ADJUSTED BANK BALANCE		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BEGINNING CASH - PER BOOKS		-9,750.30				(\$9,750.30)
RECEIPTS*		71,091.57				\$71,091.57
TRANSFERS BETWEEN ACCOUNTS		45,621.58				\$45,621.58
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL	DEBTOR MFR-2	-71,091.57				(\$71,091.57)
CHECKS/OTHER DISBURSEMENTS*		88,074.68				\$88,074.68
ENDING CASH - PER BOOKS		(\$52,203.40)	\$0.00	\$0.00	\$0.00	(\$52,203.40)

*Numbers should balance (match) TOTAL RECEIPTS and
TOTAL DISBURSEMENTS lines on MOR-7

MOR-8

* 71,091.57 Amount represents a bank sweep.

Revised 07/01/98

CASE NAME: Tubular Repair, LLC
CASE NUMBER: 16-33434

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH July	MONTH August	MONTH	MONTH	MONTH	MONTH	MONTH
1. none							
2.							
3.							
4.							
5.							
6.							
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1. none							
2.							
3.							
4.							
5.							
6.							
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

MOR-9

Revised 07/01/98

MOR-1

UNITED STATES BANKRUPTCY COURT

CASE NAME: Rotary Drilling Holdings IV, LLC
CASE NUMBER: 16-33435
PROPOSED PLAN DATE: FILED

PETITION DATE: 7/6/2016 0:00
DISTRICT OF TEXAS: Southern
DIVISION: Houston

MONTHLY OPERATING REPORT SUMMARY FOR MONTH

August

2016

MONTH	July	August	September		
REVENUES (MOR-6)	0.00	0.00	0.00	0.00	0.00
INCOME BEFORE INT. DEPRECIATION TAX (MOR-6)	-4,488.00	-4,488.00	0.00	0.00	0.00
NET INCOME (LOSS) (MOR-6)	-102,728.00	-102,728.00	0.00	0.00	0.00
PAYMENTS TO INSIDERS (MOR-9)	0.00	0.00	0.00	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS (MOR-8)	0.00	0.00	0.00	0.00	0.00

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE	EXP. DATE
CASUALTY	YES (X) NO ()
LIABILITY	YES (X) NO ()
VEHICLE	YES (X) NO ()
WORKERS	YES (X) NO ()
OTHER	YES (X) NO ()

Are all accounts receivable being collected within terms?
Are all post-petition liabilities, including taxes, being paid within terms?
Have any pre-petition liabilities been paid?

CIRCLE ONE
Yes No (X)
Yes (X) No
Yes No (X)

If so, describe
Are all funds received being deposited into DIP bank accounts?
Were any assets disposed of outside the normal course of business?

Yes (X) No
Yes No (X)

If so, describe
Are all U.S. Trustee Quarterly Fee Payments current?
What is the status of your Plan of Reorganization?

Yes (X) No
Pending

ATTORNEY NAME: Elizabeth M. Guffy
FIRM NAME: Locke Lord LLP
ADDRESS: 600 Travis, Ste 2800
CITY, STATE, ZIP: Houston, Texas 77002
TELEPHONE/FAX: 713-226-1328

MOR-1

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND ANY ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. HOWEVER, THESE ARE INTERNALLY PREPARED FINANCIAL STATEMENTS. THEY HAVE NOT BEEN AUDITED BY AN EXTERNAL ACCOUNTING FIRM. ADDITIONALLY THE FINANCIAL INFORMATION PRESENTED IN THIS MONTHLY REPORT HAS NOT BEEN PREPARED IN ACCORDANCE TO GAAP. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

SIGNED X Bryan M. Gaston TITLE: CRO
1 (ORIGINAL SIGNATURE)
Bryan M. Gaston
(PRINT NAME OF SIGNATORY) DATE: 9/27/16

Revised 07/01/98

CASE NAME: Rotary Drilling Holdings IV, LLC
CASE NUMBER: 16-33435

COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
		July	August	September			
CURRENT ASSETS	7/6/2016 0:00						
Cash							
Accounts Receivable, Net							
Inventory: Lower of Cost or Market							
Prepaid Expenses	4,748.00	4,643.00	6,748.00				
Investments							
Other							
TOTAL CURRENT ASSETS	4,748.00	4,643.00	6,748.00	0.00	0.00	0.00	0.00
PROPERTY, PLANT & EQUIP. @ COST	7,847,236.00	7,847,237.00	7,847,236.43				
Less Accumulated Depreciation	1,129,440.00	1,158,789.00	1,188,137.68				
NET BOOK VALUE OF PP & E	6,717,796.00	6,688,448.00	6,659,098.75	0.00	0.00	0.00	0.00
OTHER ASSETS							
1. Tax Deposits							
2. Investments in Subsidiaries							
3. Electric Deposit							
Related Party Receivables	1,951,000.00	2,006,000.00	2,061,000.00				
TOTAL ASSETS	\$8,673,544.00	\$8,699,091.00	\$8,726,846.75	\$0.00	\$0.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs

MOR-2

Revised 07/01/98

CASE NAME: Rotary Drilling Holdings IV, LLC
CASE NUMBER: 16-33435

COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
		July	August	September			
LIABILITIES	7/6/2016 0:00						
POST-PETITION LIABILITIES(MOR-4)		109,790.00	219,752.06				
PRE-PETITION LIABILITIES							
Notes Payable - Secured							
Priority Debt							
Federal Income Tax							
FICA/W/withholding							
Unsecured Debt	intercompany	6,965,044.00	6,979,041.00	6,995,074.89			
Other	accrued & current liab	-6,025.00	-1,537.00	2,950.80			
TOTAL PRE-PETITION LIABILITIES		6,959,019.00	6,977,504.00	6,998,025.69	0.00	0.00	0.00
TOTAL LIABILITIES		6,959,019.00	7,087,294.00	7,217,777.75	0.00	0.00	0.00
OWNERS EQUITY (DEFICIT)							
PREFERRED STOCK							
COMMON STOCK	member equity	1,402,558.00	1,402,558.00	1,402,558.00			
ADDITIONAL PAID-IN CAPITAL		178,192.00	178,192.00	178,192.00			
RETAINED EARNINGS: Filing Date		133,775.00	133,775.00	133,775.00			
RETAINED EARNINGS: Post Filing Date		-102,728.00	-205,456.00		0.00		
TOTAL OWNERS EQUITY (NET WORTH)		1,714,525.00	1,611,797.00	1,509,069.00	0.00	0.00	0.00
TOTAL							
LIABILITIES & OWNERS EQUITY		\$8,673,544.00	\$8,699,091.00	\$8,726,846.75	\$0.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs

MOR-3

Revised 07/01/98

CASE NAME: Rotay Drilling Holdings IV, LLC
CASE NUMBER: 16-33435

SCHEDULE OF POST-PETITION LIABILITIES

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
TRADE ACCOUNTS PAYABLE	July	August	September			
TAX PAYABLE						
Federal Payroll Taxes						
State Payroll Taxes						
Ad Valorem Taxes						
Other Taxes						
TOTAL TAXES PAYABLE	0.00	0.00	0.00	0.00	0.00	0.00
SECURED DEBT POST-PETITION						
ACCRUED INTEREST PAYABLE						
ACCRUED PROFESSIONAL FEES*	109,790.00	219,752.06				
OTHER ACCRUED LIABILITIES						
1.						
2.						
3.						
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$109,790.00	\$219,752.06	\$0.00	\$0.00	\$0.00	\$0.00

* Payment requires Court Approval

MOR-4

* Adjusted for professional fees incurred but not accrued

Revised 07/01/98

CASE NAME: Rotary Drilling Holdings IV, LLC
CASE NUMBER: 16-33435

AGING OF POST-PETITION LIABILITIES
MONTH August

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	MONTH
0-30	0.00					
31-60	0.00					
61-90	0.00					
91+	0.00					
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF ACCOUNTS RECEIVABLE

MONTH						
0-30 DAYS						
31-60 DAYS						
61-90 DAYS						
91+ DAYS						
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

MOR-5

Revised 07/01/98

CASE NAME: Rotary Drilling Holdings IV, LLC
CASE NUMBER: 16-33435

STATEMENT OF INCOME (LOSS)

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO
	July	August	September				DATE
REVENUES (MOR-1)							0.00
TOTAL COST OF REVENUES							0.00
GROSS PROFIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OPERATING EXPENSES:							
Selling & Marketing							0.00
General & Administrative							0.00
Insiders Compensation							0.00
Professional Fees							0.00
Other							0.00
Other	4,488.00	4,488.00					8,976.00
TOTAL OPERATING EXPENSES	4,488.00	4,488.00		0.00	0.00	0.00	8,976.00
INCOME BEFORE INT. DEPR/TAX (MOR-1)	-4,488.00	-4,488.00		0.00	0.00	0.00	-8,976.00
INTEREST EXPENSE	13,997.00	13,997.00					27,994.00
DEPRECIATION	29,348.00	29,348.00					58,696.00
OTHER (INCOME) EXPENSE*	54,895.00	54,895.00					109,790.00
OTHER ITEMS**							0.00
TOTAL INT. DEPR & OTHER ITEMS	98,240.00	98,240.00		0.00	0.00	0.00	196,480.00
NET INCOME BEFORE TAXES	-102,728.00	-102,728.00		0.00	0.00	0.00	-205,456.00
FEDERAL INCOME TAXES							0.00
NET INCOME (LOSS) (MOR-1)	(\$102,728.00)	(\$102,728.00)		\$0.00	\$0.00	\$0.00	(\$205,456.00)

Accrual Accounting Required. Otherwise footnote with Explanation.

* footnote Mandatory.

** (Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

* Other Expenses is Rental Income from affiliated debtors PCI and RDT

Revised 07/01/98

CASE NAME: Rotary Drilling Holdings IV, LLC
CASE NUMBER: 16-33435

CASH RECEIPTS AND DISBURSEMENTS	MONTH						FILING TO DATE
	July	August	September	MONTH	MONTH	MONTH	
1. CASH-BEGINNING OF MONTH	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RECEIPTS:							
2. CASH SALES							0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE							0.00
4. LOANS & ADVANCES (attach list)							0.00
5. SALE OF ASSETS							0.00
6. OTHER (attach list)							0.00
TOTAL RECEIPTS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(Withdrawal) Contribution by Individual Debtor MFR-2*							0.00
DISBURSEMENTS:							
7. NET PAYROLL							0.00
8. PAYROLL TAXES PAID							0.00
9. SALES, USE & OTHER TAXES PAID							0.00
10. SECURED/RENTAL/LEASES							0.00
11. UTILITIES & TELEPHONE							0.00
12. INSURANCE							0.00
13. INVENTORY PURCHASES							0.00
14. VEHICLE EXPENSES							0.00
15. TRAVEL & ENTERTAINMENT							0.00
16. REPAIRS, MAINTENANCE & SUPPLIES							0.00
17. ADMINISTRATIVE & SELLING							0.00
18. OTHER (attach list)							0.00
TOTAL DISBURSEMENTS FROM OPERATIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19. PROFESSIONAL FEES							0.00
20. U.S. TRUSTEE FEES							0.00
21. OTHER REORGANIZATION EXPENSES (attach list)							0.00
TOTAL DISBURSEMENTS**	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22. NET CASH FLOW	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23. CASH - END OF MONTH (MOR-2)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

* Applies to individual debtors only

MOR-7

**Numbers for the current month should balance (match)
RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

Revised 07/01/98

CASE NAME: Rotary Drilling Holdings IV, LLC
CASE NUMBER: 16-33435

CASH ACCOUNT RECONCILIATION
MONTH OF August

BANK NAME						
ACCOUNT NUMBER	#		#			
ACCOUNT TYPE	OPERATING		PAYROLL		TAX	OTHER FUNDS
BANK BALANCE						TOTAL
DEPOSITS IN TRANSIT						\$0.00
OUTSTANDING CHECKS						\$0.00
ADJUSTED BANK BALANCE	\$0.00		\$0.00		\$0.00	\$0.00
BEGINNING CASH - PER BOOKS						\$0.00
RECEIPTS*						\$0.00
TRANSFERS BETWEEN ACCOUNTS						\$0.00
(WITHDRAWAL) OR CONTRIBUTION BY						\$0.00
INDIVIDUAL DEBTOR MFR-2						\$0.00
CHECKS/OTHER DISBURSEMENTS*						\$0.00
ENDING CASH - PER BOOKS	\$0.00		\$0.00		\$0.00	\$0.00

MOR-8

*Numbers should balance (match) TOTAL RECEIPTS and
TOTAL DISBURSEMENTS lines on MOR-7

Revised 07/01/98

CASE NAME: Rotary Drilling Holdings IV, LLC
CASE NUMBER: 16-33435

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(3)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1.	July	August	September			
2.	0.00	0.00	0.00			
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	July	August	September			
1.	0.00	0.00	0.00			
2.						
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

MOR-9

Revised 07/01/98

MOR-1

UNITED STATES BANKRUPTCY COURT

CASE NAME: Pipe Coatings International, LLC
CASE NUMBER: 16-33437
PROPOSED PLAN DATE: FILED

PETITION DATE: 7/6/2015 0:00
DISTRICT OF TEXAS: Southern
DIVISION: Houston

MONTHLY OPERATING REPORT SUMMARY FOR MONTH

MONTH	July	August	August	2016
REVENUES (MOR-6)	0.00	0.00	0.00	0.00
INCOME BEFORE INT. DEPRRC. TAX (MOR-6)	-152,883.00	-163,399.94	0.00	0.00
NET INCOME (LOSS) (MOR-6)	-202,590.32	-213,107.64	0.00	0.00
PAYMENTS TO INSIDERS (MOR-9)	0.00	0.00	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS (MOR-8)	27,077.20	57,082.32	0.00	0.00

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE	EXP. DATE
CASUALTY	YES (X) NO ()
LIABILITY	YES (X) NO ()
VEHICLE	YES (X) NO ()
WORKERS	YES (X) NO ()
OTHER	YES (X) NO ()

Are all accounts receivable being collected within terms? **Yes** No (X)
Are all post-petition liabilities, including taxes, being paid within terms? **Yes** (X) No
Have any pre-petition liabilities been paid? **Yes** (X) No
If so, describe PTO and Payroll as approved by the court
Are all funds received being deposited into DIP bank accounts? **Yes** (X) No
Were any assets disposed of outside the normal course of business? **Yes** No (X)
If so, describe
Are all U.S. Trustee Quarterly Fee Payments current? **Yes** (X) No
What is the status of your Plan of Reorganization? Pending

ATTORNEY NAME: Elizabeth M. Guffy
FIRM NAME: Locke Lord LLP
ADDRESS: 600 Travis, Ste 2800
CITY, STATE, ZIP: Houston, Texas 77002
TELEPHONE/FAX: 713-226-1328

MOR-1

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND ANY ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. HOWEVER, THESE ARE INTERNALLY PREPARED FINANCIAL STATEMENTS. THEY HAVE NOT BEEN AUDITED BY AN EXTERNAL ACCOUNTING FIRM. ADDITIONALLY, THE FINANCIAL INFORMATION PRESENTED IN THIS MONTHLY REPORT HAS NOT BEEN PREPARED IN ACCORDANCE TO GAAP. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

SIGNED X Bryan M. Gaston TITLE: CFO

I (ORIGINAL SIGNATURE)

(PRINT NAME OF SIGNATORY)

DATE 9/27/16

Revised 07/01/98

CASE NAME: Pipe Coatings International, LLC
CASE NUMBER: 16-33437

COMPARATIVE BALANCE SHEETS

ASSETS	7/6/2016 0:00	MONTH July	MONTH August	MONTH	MONTH	MONTH	MONTH
CURRENT ASSETS							
Cash	858.00	7,828.00	-11,255.63				
Accounts Receivable, Net	98,624.00	98,624.00	98,624.15				
Inventory: Lower of Cost or Market	20,466.00	20,466.00	20,466.46				
Prepaid Expenses	7,427.00	4,880.00	2,332.29				
Investments	0.00	0.00	0.00				
Other AR Accrued Other	350.00	350.00	349.91				
TOTAL CURRENT ASSETS	127,725.00	132,148.00	110,517.18	0.00	0.00	0.00	0.00
PROPERTY, PLANT & EQUIP. @ COST	3,026,307.00	3,026,307.00	3,026,307.39				
Less Accumulated Depreciation	2,502,950.00	2,552,598.00	2,602,246.36				
NET BOOK VALUE OF PP & E	523,357.00	473,709.00	424,061.03	0.00	0.00	0.00	0.00
OTHER ASSETS							
1. Tax Deposits	0.00	0.00	0.00				
2. Investments in Subsidiaries	0.00	0.00	0.00				
3. Electric Deposit	0.00	0.00	0.00				
4. related party receivables	1,883,440.00	1,883,440.00	1,883,440.30				
TOTAL ASSETS	\$2,534,522.00	\$2,489,297.00	\$2,418,018.51	\$0.00	\$0.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs

MOR-2

Revised 07/01/98

CASE NAME: Pipe Coatings International, LLC
CASE NUMBER: 16-33437

COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	7/6/2016 0:00	July	August				
LIABILITIES							
POST-PETITION LIABILITIES(MOR-4)	0.00	157,365.32	299,194.47				
PRE-PETITION LIABILITIES							
Notes Payable - Secured	91,951.00	0.00	0.00				
Priority Debt	0.00	0.00	0.00				
Sales and USE	34,005.00	0.00	0.00				
FICA/Withholding	0.00	0.00	0.00				
Unsecured Debt	382,648.00	0.00	0.00				
Other	2,650,830.00	0.00	0.00				
TOTAL PRE-PETITION LIABILITIES	3,159,434.00	3,159,434.00	3,159,434.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	3,159,434.00	3,316,799.32	3,458,628.47	0.00	0.00	0.00	0.00
OWNERS EQUITY (DEFICIT)							
PREFERRED STOCK	0.00	0.00	0.00				
COMMON STOCK	3,257,719.00	3,257,719.00	3,257,719.00				
ADDITIONAL PAID-IN CAPITAL	-5,931,267.00	-5,931,267.00	-5,931,267.00				
RETAINED EARNINGS: Filing Date	2,048,636.00	2,048,636.00	2,048,636.00				
RETAINED EARNINGS: Post Filing Date	0.00	-202,590.32	-415,697.96	0.00			
TOTAL OWNERS EQUITY (NET WORTH)	-624,912.00	-827,502.32	-1,040,609.96	0.00	0.00	0.00	0.00
LIABILITIES & OWNERS EQUITY	\$2,534,522.00	\$2,489,297.00	\$2,418,018.51	\$0.00	\$0.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs

MOR-3

Revised 07/01/98

Other comprised of:	Intercompany payable	\$2,287,685
	accrued bonus	\$354,549
	accrued PTO	\$8,596
	Total	\$2,650,830

CASE NAME: Pipe Coatings International, LLC
CASE NUMBER: 16-33437

SCHEDULE OF POST-PETITION LIABILITIES

	MONTH July	MONTH August	MONTH	MONTH	MONTH	MONTH
TRADE ACCOUNTS PAYABLE						
TAX PAYABLE						
Federal Payroll Taxes	0.00	893.11				
State Payroll Taxes	0.00	0.00				
Ad Valorem Taxes	0.00	0.00				
Property Taxes	0.00	3,000.00				
Other Taxes	0.00	1,294.26				
TOTAL TAXES PAYABLE	0.00	5,187.37	0.00	0.00	0.00	0.00
SECURED DEBT POST-PETITION *	0.00	0.00				
ACCRUED INTEREST PAYABLE	0.00	0.00				
ACCRUED PROFESSIONAL FEES**	83,695.32	164,473.07				
OTHER ACCRUED LIABILITIES						
1. intercompany payables	60,805.00	121,805.00				
2. unsecured	12,865.00	7,729.03				
3.	0.00	0.00				
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$157,365.32	\$299,194.47	\$0.00	\$0.00	\$0.00	\$0.00

*Payment requires Court Approval

MOR-4

Revised 07/01/98

* Debtor and its 3 affiliate debtors are co-borrowers under post petition financing, balances and cash activity associated with the DIP loan are presented exclusively on RDT USA, LLC MOR

** Adjusted for professional fees not accrued

CASE NAME: Pipe Coatings International, LLC
CASE NUMBER: 16-33437

AGING OF POST-PETITION LIABILITIES
MONTH August

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	MONTH
0-30	1,412.13	1,412.13				
31-60	0.00					
61-90	0.00					
91+	0.00					
TOTAL	\$1,412.13	\$1,412.13	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF ACCOUNTS RECEIVABLE

MONTH	July	August				
0-30 DAYS						
31-60 DAYS						
61-90 DAYS						
91+ DAYS	134,163.62	134,163.62				
TOTAL	\$134,163.62	\$134,163.62	\$0.00	\$0.00	\$0.00	\$0.00

MOR-5

Revised 07/01/98

STATEMENT OF INCOME (LOSS)

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO DATE
REVENUES (MOR-1)	July	August					0.00
TOTAL COST OF REVENUES	126,474.00	138,041.88					264,515.88
GROSS PROFIT	-126,474.00	-138,041.88	0.00	0.00	0.00	0.00	-264,515.88
OPERATING EXPENSES:							
Selling & Marketing	0.00	0.00					0.00
General & Administrative	3,998.00	4,250.88					8,248.88
Insiders Compensation	0.00	0.00					0.00
Professional Fees	2,155.00	1,153.66					3,308.66
Other	20,256.00	19,953.52					40,209.52
Other Depreciation	0.00	0.00					0.00
TOTAL OPERATING EXPENSES	26,409.00	25,358.06	0.00	0.00	0.00	0.00	51,767.06
INCOME BEFORE INT. DEPR/TAX (MOR-1)	-152,883.00	-163,399.94	0.00	0.00	0.00	0.00	-316,282.94
INTEREST EXPENSE	0.00	0.00					0.00
DEPRECIATION	49,648.00	49,648.38					99,296.38
OTHER (INCOME) EXPENSE*	59.32	59.32					118.64
OTHER ITEMS**	0.00	0.00					0.00
TOTAL INT. DEPR & OTHER ITEMS	49,707.32	49,707.70	0.00	0.00	0.00	0.00	99,415.02
NET INCOME BEFORE TAXES	-202,590.32	-213,107.64	0.00	0.00	0.00	0.00	-217,105.20
FEDERAL INCOME TAXES							0.00
NET INCOME (LOSS) (MOR-1)	(\$202,590.32)	(\$213,107.64)	\$0.00	\$0.00	\$0.00	\$0.00	(\$217,105.20)

Accrual Accounting Required. Otherwise footnote with explanation.

* *livornale Mandatory.*

*** (Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.*

MOR-6

Revised 07/01/98

CASE NAME: Pipe Coatings International, LLC
CASE NUMBER: 16-33437

CASH RECEIPTS AND DISBURSEMENTS		MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO
1. CASH-BEGINNING OF MONTH		July	August					DATE
RECEIPTS:								
2. CASH SALES		0.00	0.00					0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE		0.00	0.00					0.00
4. LOANS & ADVANCES (attach list)		34,047.61	37,998.74					72,046.35
5. SALE OF ASSETS		0.00	0.00					0.00
6. OTHER (attach list)		0.00	0.00					0.00
TOTAL RECEIPTS**		34,047.61	37,998.74	0.00	0.00	0.00	0.00	72,046.35
(Withdrawal) Contribution by Individual Debtor MFR-2*		0.00	0.00					0.00
DISBURSEMENTS:								
7. NET PAYROLL		24,050.79	17,249.61					41,300.40
8. PAYROLL TAXES PAID		1,117.71	1,070.56					2,188.27
9. SALES, USE & OTHER TAXES PAID		0.00	0.00					0.00
10. SECURED/RENTAL/LEASES		0.00	13,430.25					13,430.25
11. UTILITIES & TELEPHONE		0.00	7,951.70					7,951.70
12. INSURANCE Benefits		1,908.70	7,031.22					8,939.92
13. INVENTORY PURCHASES		0.00	0.00					0.00
14. VEHICLE EXPENSES		0.00	0.00					0.00
15. TRAVEL & ENTERTAINMENT		0.00	0.00					0.00
16. REPAIRS, MAINTENANCE & SUPPLIES		0.00	0.00					0.00
17. ADMINSTRAT BANK FEES		0.00	662.67					662.67
18. OTHER (attach list) PNC Loan LEDGER		0.00	9,686.31					9,686.31
TOTAL DISBURSEMENTS FROM OPERATIONS		27,077.20	57,082.32	0.00	0.00	0.00	0.00	84,159.52
19. PROFESSIONAL FEES		0.00	0.00					0.00
20. U.S. TRUSTEE FEES		0.00	0.00					0.00
21. OTHER REORGANIZATION EXPENSES (attach list)		0.00	0.00					0.00
TOTAL DISBURSEMENTS**		27,077.20	57,082.32	0.00	0.00	0.00	0.00	84,159.52
22. NET CASH FLOW		0.00	-19,083.58	0.00	0.00	0.00	0.00	-12,113.17
23. CASH - END OF MONTH (MOR-2)		\$7,827.95	(\$11,255.63)	(\$11,255.63)	(\$11,255.63)	(\$11,255.63)	(\$11,255.63)	(\$11,255.63)

* Applies to Individual debtors only

**Numbers for the current month should balance (match)

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

Revised 07/01/98

Note: Debtor AR collections sent to lockbox and applied direction bank bank to loan ledger.

9,686.31 Amount to the revolver for closure of the Amegy account

MOR-7

CASE NAME: Pipe Coatings International, LLC
CASE NUMBER: 16-33437

CASH ACCOUNT RECONCILIATION MONTH OF August

BANK NAME						
ACCOUNT NUMBER	8026323496	#	#	#		
ACCOUNT TYPE	OPERATING		PAYROLL	TAX	OTHER FUNDS	TOTAL
BANK BALANCE	0.00					\$0.00
DEPOSITS IN TRANSIT	0.00					\$0.00
OUTSTANDING CHECKS	0.00					\$0.00
ADJUSTED BANK BALANCE	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
BEGINNING CASH - PER BOOKS	7,827.95					\$7,827.95
RECEIPTS*	0.00					\$0.00
TRANSFERS BETWEEN ACCOUNTS (WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBITOR MFR-2	37,998.74					\$37,998.74
CHECKS/OTHER DISBURSEMENTS*	57,082.32					\$0.00
ENDING CASH - PER BOOKS	(\$11,255.63)		\$0.00	\$0.00	\$0.00	(\$11,255.63)

MOR-8

*Numbers should balance (match) TOTAL RECEIPTS and
TOTAL DISBURSEMENTS lines on MOR-7

Revised 07/01/98

CASE NAME: Pipe Coatings International, LLC
CASE NUMBER: 16-33437

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH July	MONTH August	MONTH	MONTH	MONTH	MONTH	MONTH
1.			0				
2.							
3.							
4.							
5.							
6.							
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1.		0.00					
2.							
3.							
4.							
5.							
6.							
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

MOR-9

Revised 07/01/98